



Demographics

Texas is one of the fastest-growing states in the nation. Since 2000, the state's population has increased by 12.7 percent, nearly twice that of the nation (6.4 percent).¹ Our growing population is becoming older, less rural and more diverse. These changes will require business and community leaders to address the needs of maintaining and building our infrastructure, coping with the cost of health care and providing the educational system we need to compete in a global economy.

Texas had an estimated population of more than 23.5 million in 2006, or 12.7 percent more than in 2000.² In 2006, the U.S. Census Bureau estimated that more than half of all Texans — 52 percent — were aged 25 to 64. Those under the age of 25 accounted for 38 percent of the population, while 9.9 percent were aged 65 or older (**Exhibit 1**).

Nationally, the percentages are similar: 34.5 percent were under the age of 25, 53.1 percent were aged 25 to 64 and 12.4 percent were aged 65 and older (**Exhibit 2**).³

Texas has an aging population. From 1980 to 2005, the population of Texas as a whole rose from 14.2 million to 22.9 million, or about 60.7 percent. Over the same time period, the number of Texans aged 65 and

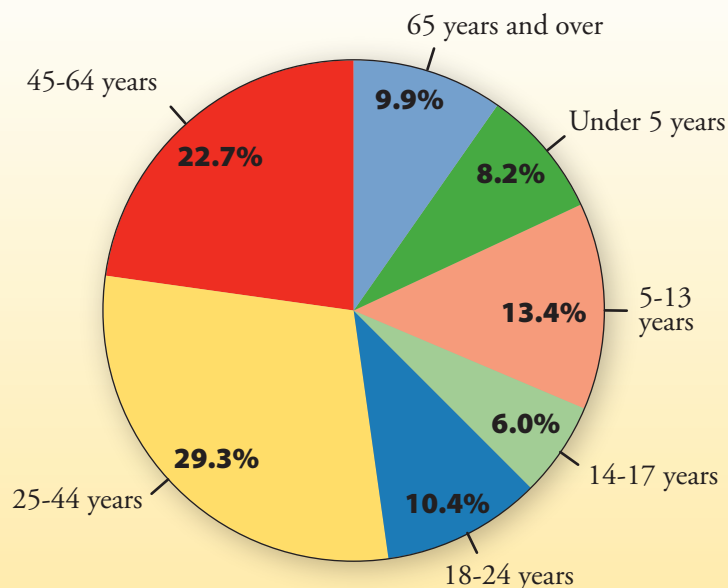
DID YOU KNOW?

Texas has the nation's largest rural population, with more than 3.6 million rural residents in 2000.



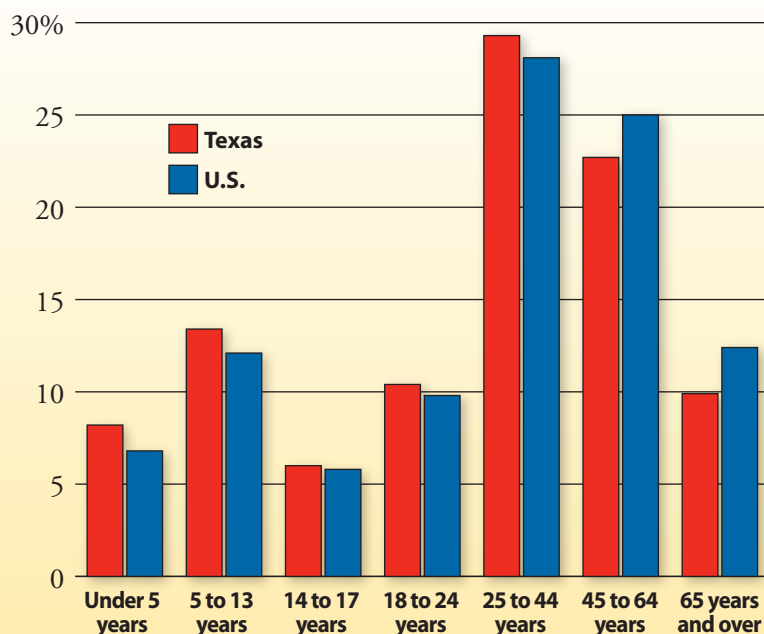


Exhibit 1

Texas Population by Age, 2006

Sources: Texas Comptroller of Public Accounts and U.S. Census Bureau.

Exhibit 2

U.S. and Texas Population by Age, 2006

Sources: Texas Comptroller of Public Accounts and U.S. Census Bureau.

over grew at a faster rate, 65.7 percent, from 1.4 million to 2.3 million.

In 2006, 48.3 percent of Texans were White; 35.7 percent were Hispanic; 11.4 percent were Black; and 4.6 percent fell into the “other” category, which includes persons of American Indian, Asian and Hawaiian descent, among others. This is in contrast to the U.S. as a whole, which was 66.4 percent White, 14.8 percent Hispanic, 12.3 percent Black and 6.6 percent “other” (**Exhibit 3**).⁴ Hispanics are the fastest-growing population group in Texas. The Hispanic population in Texas has grown by 10.9 percent since 2000, when Hispanics accounted for 32 percent of the Texas population.⁵

Texas became a “majority-minority” state in 2004, meaning various ethnic minority populations now outnumber Whites. Other “majority-minority” states include Hawaii, New Mexico and California.

Nearly 30 percent of Texas households had incomes of less than \$25,000 in 2005, while another 28 percent had incomes between \$25,000 and \$49,999 (**Exhibit 4**). The median income for Texas households in 2005 was \$42,139, 8.9 percent less than the U.S. median income of \$46,242.⁶

Although population growth in rural Texas has been slow, the state’s overall population increased by about 35 percent from 1990 to 2005. The entire state is expected to continue to grow over the next 40 years, with the urban areas growing the most and rural areas growing more slowly than urban areas. Population trends show that more people are moving from rural areas to urban/suburban areas. An estimated 86 percent of the 23 million people living in Texas in 2005 resided in



urban areas, while an estimated 14 percent lived in rural areas (**Exhibit 5**).

Texas still has the nation's largest rural population, with more than 3.6 million rural residents in 2000 (**Exhibit 6**). While the state's rural population increased between 1990 and 2000, from 3.2 million to 3.6 million, faster urban growth meant that the rural share of the state's population actually fell from 18.8 percent in 1990 to 17.5 percent in 2000.⁷ Since then, the U.S. Census Bureau estimates that the portion of Texans living in rural areas has continued to fall to 14 percent in 2005.⁸

Between 2000 and 2005, 11 of Texas' "metro" counties — counties with one or more urban areas — saw population increases of at least 20 percent, while 93 non-metro counties experienced losses (**Exhibit 7**). Metropolitan areas were far more likely to grow than their rural counterparts.

Demographic Shifts

The continuing shift of Texas' population from rural to urban areas presents challenges and opportunities for both areas. In urban areas, while a rising population has spurred tremendous economic growth and diversification, it has also prompted a need for new and expensive roads, more construction and expanded water and sewer systems. The expansion of urban areas affects agricultural production by increasing the cost of land and disrupting transportation routes. And city governments can be hit by shrinking tax bases as people, businesses and industry move to suburban areas.⁹

As people move into metropolitan areas and away from rural areas, problems result

Exhibit 3

U.S. and Texas Population by Ethnicity, 2006

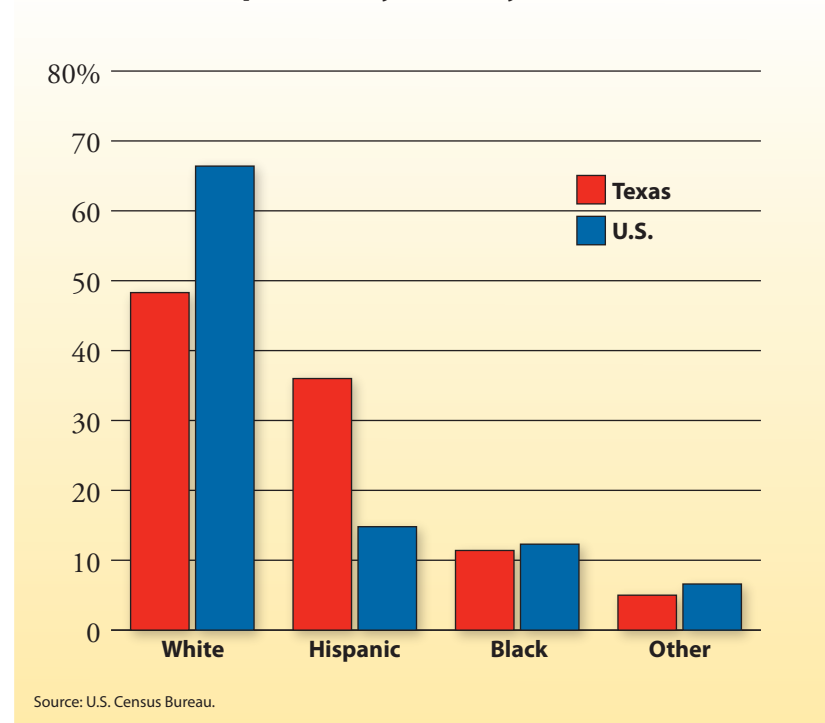


Exhibit 4

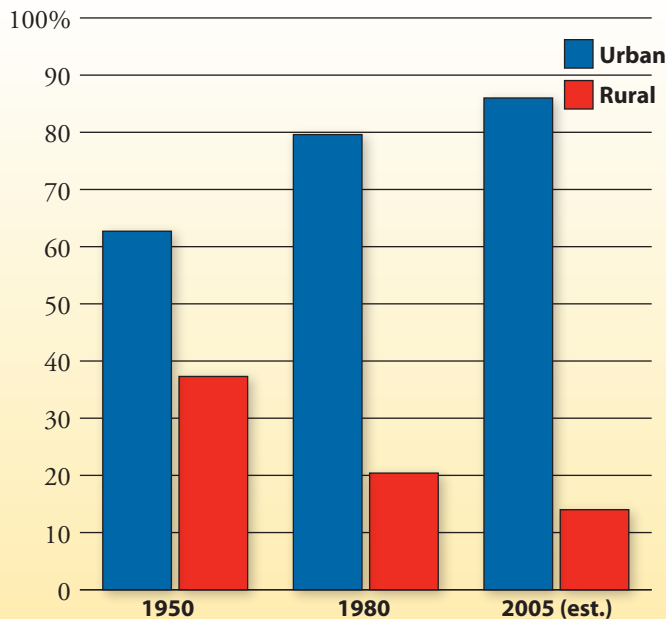
Texas Household Income, 2005

Household Incomes	Number of Households (1,000)	Percent of Total
Less than \$25,000	2,369	29.7%
\$25,000 to \$49,999	2,198	27.6%
\$50,000 to \$74,999	1,412	17.7%
\$75,000 to \$99,000	832	10.4%
\$100,000 to \$149,999	725	9.1%
\$150,000 to \$199,999	226	2.8%
\$200,000 and over	216	2.7%
Total	7,978	100.0%

Source: U.S. Census Bureau.



Exhibit 5

Texas Historical Rural and Urban Populations, 1950-2005

Source: U.S. Census Bureau.

from an aging infrastructure that needs to be replaced or repaired, an expensive but essential investment. In cases where metropolitan areas are expanding into areas that had been rural, water and sewer systems require maintenance and expansion to meet the growing needs of the community they serve.

Rural areas may have difficulty providing sufficient water systems to provide fire protection and drinking water. Regulatory requirements for water, sewer and other services have changed and small communities may be unable to meet the newer requirements.¹⁰ And as rural Texans move to urban areas in increasing numbers, a shrinking tax base may cause infrastructural improvements to be unaffordable.

Future Projections

The Texas Data Center and the Office of the State Demographer project that the state's population will increase by 71.5 percent between 2000 and 2040, from 20.9

Exhibit 6

Top Ten States with the Largest Rural Population, 2000

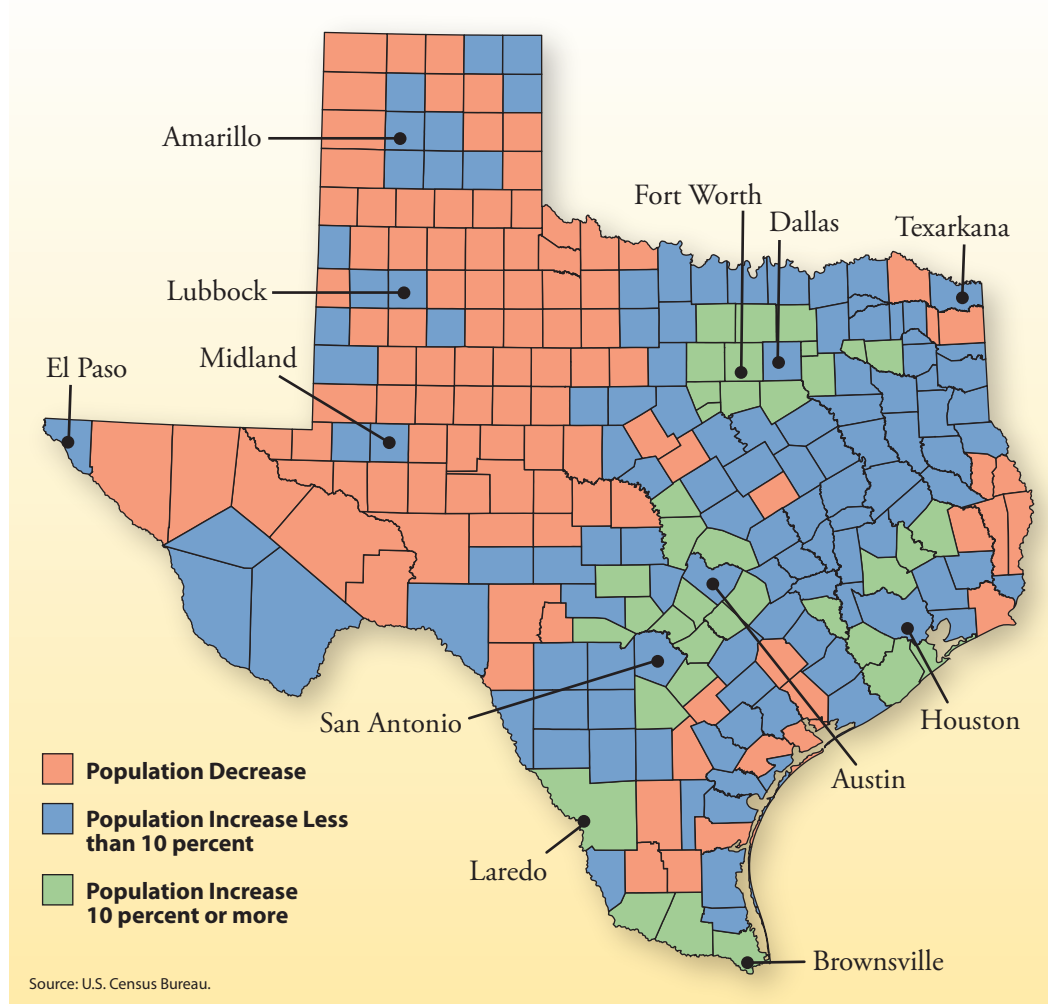
State	Rural Population	Urban Population	Total Population	Percent Rural
Texas	3,647,539	17,204,281	20,851,820	17.5%
North Carolina	3,199,831	4,849,482	8,049,313	39.8%
Pennsylvania	2,816,953	9,464,101	12,281,054	22.9%
Ohio	2,570,811	8,782,329	11,353,140	22.6%
Michigan	2,518,987	7,419,457	9,938,444	25.3%
New York	2,373,875	16,602,582	18,976,457	12.5%
Georgia	2,322,290	5,864,163	8,186,453	28.4%
Tennessee	2,069,265	3,620,018	5,689,283	36.4%
Alabama	1,981,427	2,465,673	4,447,100	44.6%
Virginia	1,908,560	5,169,955	7,078,515	27.0%

*Note: 2000 is the most recent year for which data is available.
Source: U.S. Census Bureau.



Exhibit 7

Percent Change in Population, 2000-2005

**DID YOU KNOW?**

80 percent of Texas' total land area is rural.

In 2040, Texas is projected to have 35.8 million residents. That's a 151 percent increase from 1980.

million to 35.8 million.¹¹ The 2040 projected population of 35.8 million is a 151 percent increase from the 1980 population of 14.2 million.¹²

By 2040, the Texas state demographer projects that the share of the population aged 65 or older in Texas will nearly double, to 18.0 percent.¹³ Nationally, the U.S. Census Bureau projects that Americans aged 65 or older will comprise 20.4 percent of the population.¹⁴

By 2020, the Texas Hispanic population is expected to outnumber the White population (**Exhibit 8**). Between 2000 and 2040 the Hispanic population will triple in Texas' urban areas, from 5.9 million to 17.2 million. In rural areas, the Hispanic population is expected to double, from 777,000 to 1.6 million.¹⁵

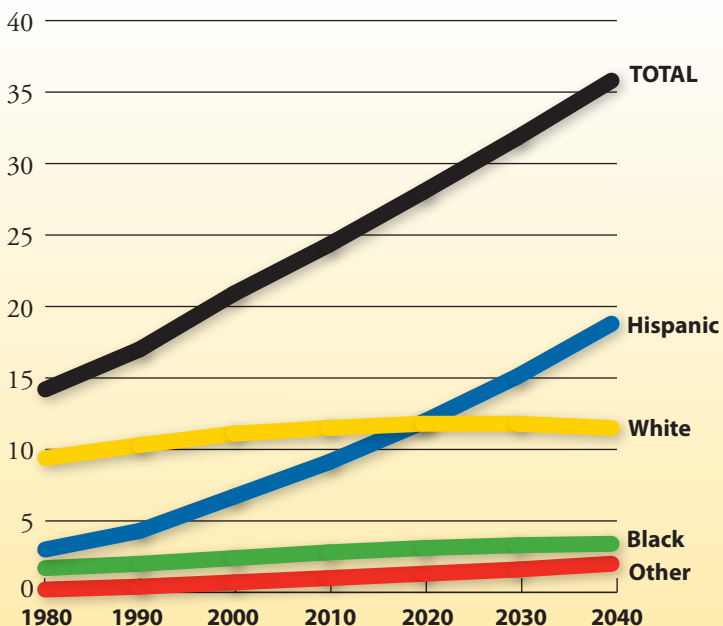
In 1980, the Hispanic population of Texas was just under 3 million.¹⁶ By 2040, there will be 18.8 million Hispanics in Texas.¹⁷



Exhibit 8

Texas Population Growth, 1980-2040

Population projections, in millions



Source: Texas State Data Center.

This projection indicates that the Hispanic population will grow by 530 percent from 1980 to 2040. These changes are being driven both by high immigration rates and high birth rates.

According to the state's demographer, from 1980 to 2040, the White population of Texas will grow from 9.4 million to 11.5 million. The percentage of Whites will sharply decrease, from 66 percent in 1980 to only 32 percent in 2040. The Black population of Texas will grow from 1.7 million in 1980 to 3.4 million in 2040. The percentage of Blacks will decrease slightly from 12 percent in 1980 to 10 percent in 2040.